



0000142687

## OPEN MEETING AGENDA ITEM

W-00000C-06-0149

From: **ORIGINAL**  
 Sent: **ORIGINAL**  
 To: **ORIGINAL**  
 Subject:

Jack <Jack@jestevenscpapc.com>  
 Monday, January 28, 2013 1:01 PM  
 Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
 Rate

Dear Commissioner,

I am a resident of Sun Lakes, AZ and a customer of the Pima Utility Company. I thank you for your past action to reduce the water and wastewater rate increases the Pima Utility Company had originally proposed for its customers. It would have dramatically affected the direct and indirect costs to us Seniors living on fixed incomes.

In addition to the rate increases, one of our speaking points at the gathering at the Sun Lakes Country Club was our opposition to the request by Pima to pass-through dividends without tax expense.

This portion of their application was not addressed in the decision to increase the rates for water and wastewater. Now I understand it is on the Commissions agenda for the meeting on January 30-31, 2013

In e-mails before the decision on Pima's rate application we asked that the Commission remember that their fiduciary responsibility is to the customers of the utility, not the owners of the utility.

I make this statement again and ask that you do not permit this pass-through. Enacting this pass-through would permit the utility company to request additional relief to pay the taxes resulting in additional expense to the utility customers.

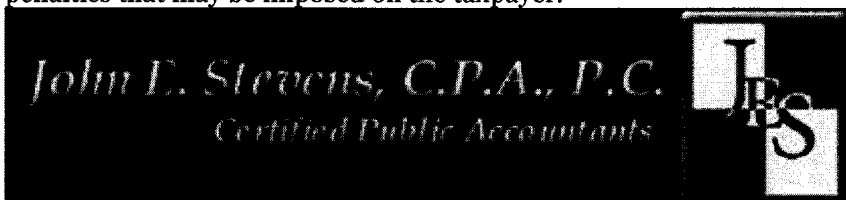
Sincerely,

Jack Stevens

John E. Stevens, C.P.A., P.C.

Required Circular 230 Disclosure

New IRS rules, which govern the way we conduct our tax practice, dictate that we give you the following notice: This written advice is not intended or written to be used, and it cannot be used by any taxpayer, for the purposes of avoiding penalties that may be imposed on the taxpayer.



Arizona Corporation Commission

DOCKETED

FEB - 4 2013

DOCKETED BY	mm
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RECEIVED  
 2013 FEB - 4 P 3:50  
 ARIZONA CORPORATION COMMISSION  
 RECORD CONTROL

**Trisha A. Morgan**

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**From:** Roberta Reed [REDACTED]  
**Sent:** Monday, January 28, 2013 11:02 AM  
**To:** Pierce-Web; Burns-Web; BitterSmith-Web; RBurns-Web; Stump-Web  
**Subject:** Item #39 - January 30-31 2013 Open Meeting

Dear Commissioner,

I am a resident of Sun Lakes, AZ and a customer of the Pima Utility Company. I addressed the Commission regarding Pima's rate increase application at the gathering at Sun Lakes Country Club last year. One of my pleas was that the commission only approve increases based on actual increased cost of doing business - increased costs of chemical, supplies, labor. The request for a rate increase so that stock holders could avoid paying taxes on their dividends should NOT be a basis for a rate increase. This portion of their application was not addressed in the decision to increase the rates for water and wastewater. Now I understand it is on the Commissions agenda for the meeting on January 30-31, 2013.

I ask that the Commission remember that their fiduciary responsibility is to the customers of the utility, not the owners of the utility. I once again request that you do not permit this pass-through. Enacting this pass-through would in essence ask me and my fellow retirees in Sun Lakes to pay the taxes on behalf of the owners of Pima so they can collect their dividends tax-free.

Sincerely,

Roberta Reed  
[REDACTED]

Sun Lakes, AZ 85248

**Trisha A. Morgan**

---

**From:** Frederick Smith [REDACTED]  
**Sent:** Monday, January 28, 2013 1:17 PM  
**To:** Pierce-Web; Stump-Web; Burns-Web; BitterSmith-Web; RBurns-Web  
**Subject:** No increase to pay owners taxes

Corporation Commission Members

We are completely opposed to this "freebie" pass-through on taxes that would only benefit the owners of Pima. utility  
as home owners we owe the owners of Pima Utility nothing except to pay for the Water & waste only

*From the Desk of  
Frederick & Kathy O'Hara Smith*

**Trisha A. Morgan**

---

**From:** Hank Osoinach [mailto:hankosoinach@sunlakes2.com]  
**Sent:** Monday, January 28, 2013 1:32 PM  
**To:** Hank Osoinach  
**Subject:** RE: IMPORTANT PIMA UPDATE

**Dear Commissioner,**

I want to voice my opposition to this Pima Utilities "freebie" pass-through on taxes that would only benefit the owners of Pima. Just when we thought we were finished with the Pima rate request, the issue of pass-through on taxes has again surfaced. The agenda for the Corporation Commission meeting this week (January 30 and 31) has this item on it. Home Owners and Residents of Sun Lakes wish not to be saddled with utility increases to pay the taxes on the owner's dividends.

**Best Regards,**

**Hank**

**Hank Osoinach ABR, CRS, GRI  
Residential Sales Counselor Since 1982  
Direct: 480-759-1212  
Fax: 480-759-1414  
E-Mail: [Hank@HankOsoinach.com](mailto:Hank@HankOsoinach.com)  
Web: [www.HankOsoinach.com](http://www.HankOsoinach.com)  
West USA Realty, Inc  
1640 S Stapley Dr #124  
Mesa, AZ 85204**

+++++

Date: Mon, 28 Jan 2013 15:01:31 -0500  
From: [admin@sunlakes2.com](mailto:admin@sunlakes2.com)  
To: [hankosoinach@hotmail.com](mailto:hankosoinach@hotmail.com)  
Subject: CWPV ALERT -IMPORTANT PIMA UPDATE

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## IMPORTANT PIMA UPDATE

Corporation Commission meeting this week  
January 30 and 31

**\*\*\* Please Do Not Respond To This eLetter \*\*\***  
**Replies to this eLetter are not monitored.**

Recently we received a rate increase from Pima, but other than the big hit (43%) experienced by our HOA for irrigation water, Sun Lakes homeowners came through this pretty well. One of the items in the original Pima request was seeking a pass-through of dividends to the owners with taxes paid by the company (i.e. from revenues from customers). This would be in addition to the \$200,000 (for legal expenses) the Corporation Commission allowed Pima to recover from their customers. This recovery resulted in an additional \$.33 for water and another \$.33 for waste water on your bill each month.

Just when we thought we were finished with the Pima rate request, the issue of pass-through on taxes has again surfaced. The agenda for the Corporation Commission meeting this week (January 30 and 31) has this item on it. Unless we make our voices heard, Sun Lakes may be saddled with utility increases to pay the taxes on the owner's dividends.

We urge you to e-mail and voice your opposition to this "freebie" pass-through on taxes that would only benefit the owners of Pima.

[Pierce-web@azcc.gov](mailto:Pierce-web@azcc.gov)

[Burns-web@azcc.gov](mailto:Burns-web@azcc.gov)

[Stump-web@azcc.gov](mailto:Stump-web@azcc.gov)

[BitterSmith-web@azcc.gov](mailto:BitterSmith-web@azcc.gov)

[RBurns-web@azcc.gov](mailto:RBurns-web@azcc.gov)

You can also call the Corporation Commission Chairman, Bob Stump at 602-542-3935

**Sun Lakes HOA #2**  
25630 Brentwood Drive  
Sun Lakes, Arizona 85248  
480-895-3550

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## Bob Stump

---

**From:** Stan Shores [REDACTED]  
**Sent:** Monday, January 28, 2013 1:39 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Cc:** Steve Nolan  
**Subject:** dividend pass through

We object to any rate increase that is not part of operations because there is no benefit to the customers. If the owners want to take a dividend than they are obligated, personally, for that tax liability. We, personally are liable for any income tax from the dividends we earn and the same should hold true for the investors. Just another greedy ploy by Mr. Robson!!!! DO NOT APPROVE THIS ITEM!!!! Thank You, Carol and Stan Shores

**Trisha A. Morgan**

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**From:** Confidential@Pima  
**Sent:** Monday, January 28, 2013 1:41 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-web@azcc.g  
**Subject:** Pima Utility Agenda Item

**Dear Commissioners,**

**I attended the informational session in Sun Lakes last year, and was confident that you had heard our concerns, and would act accordingly. Therefore, I am distressed to hear that once again the issue of dividends to Pima Utility's owners via taxes paid by customers (from company revenues) is on the table. I should not have to state again what has already been said and should be obvious--that it is unfair to impose this additional utility increase on customers to pay what should rightfully be paid by the owners.**

**We folks in this community of mostly retired persons on fixed incomes, many of whom are nearing the end of their lives, are depending on you to do the ethical thing in this situation. We are counting on you.**

**Sincerely,**

**Jeannine Reynolds**

**[REDACTED]**  
**Sun Lakes, AZ 85248-7229**



**Trisha A. Morgan**

---

**From:** OKOKMIKE [REDACTED]  
**Sent:** Monday, January 28, 2013 1:44 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** OPPOSITION TO RATE INCREASE

To: Arizona Corporation Commissioners,

As a home owner and resident of the Sun Lakes community, I urge you to reject this latest unreasonable attack on our water rates by Pima Utility Company and defeat their request for this further direct or indirect rate increase.

We have just recently been assessed an increase that we seniors, living mainly on fixed retirement incomes, are already adjusting to and any further increase , at this time , would have a significant negative economic effect on our ability to meet our daily living expenses.

Therefore, I ask you in the name reason and common sense to please defeat this latest proposed water rate increase.

Thank you for your consideration.

Michael Loshin  
Eileen Sharpe  
[REDACTED]  
Sun Lakes, AZ 85248

**Trisha A. Morgan**

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**From:** Denny Zarifis [REDACTED]  
**Sent:** Monday, January 28, 2013 2:13 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Cc:** admin@sunlakes2.com  
**Subject:** Pima rate request

Gentlemen,

The Pima rate request, the issue of pass-through on taxes has again surfaced. The agenda for the Corporation Commission meeting this week (January 30 and 31) has this item on it. Unless we make our voices heard, Sun Lakes may be saddled with utility increases to pay the taxes on the owner's dividends. We urge you to e-mail and voice your opposition to this "freebie" pass-through on taxes that would only benefit the owners of Pima.

AS a sun lakes home owner I am opposed to further Pima rate increase's

Denny Zarifis

[REDACTED]  
Sun Lakes AZ  
85248

**Trisha A. Morgan**

---

**From:** Glenn Godwin [REDACTED]  
**Sent:** Monday, January 28, 2013 3:21 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Pima Utility Company, Sun Lakes

I understand Pima's request for a pass through of dividends to its owners to be paid by company revenues from its customers is on the agenda with the Corporation Commission for January 29 and 30th. This would result in Pima's customers actually paying the taxes for its owners for the dividends received and result in additional service charges to residents of Sun Lakes.

I thought your decision No. 73573 dated November 21, 2012 would have been the end of Pima's request for additional revenue at this time. Apparently not so.

I URGE YOU TO REJECT THIS REQUEST.

Thank you,

Glenn Godwin  
[REDACTED]  
Sun Lakes, Az 85248

480-895-4980

Trisha A. Morgan

---

**From:** grace cuyler [REDACTED]  
**Sent:** Monday, January 28, 2013 3:55 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** PIMA UTILITY RATE INCREASE

We are highly opposed to the increase mentioned below. Earl & Grace Cuyler, [REDACTED], Sun Lakes, AZ 85248

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**IMPORTANT PIMA UPDATE**  
Corporation Commission meeting this week  
January 30 and 31

**\*\*\* Please Do Not Respond To This eLetter \*\*\***  
**Replies to this eLetter are not monitored.**

Recently we received a rate increase from Pima, but other than the big hit (43%) experienced by our HOA for irrigation water, Sun Lakes homeowners came through this pretty well. One of the items in the original Pima request was seeking a pass-through of dividends to the owners with taxes paid by the company (i.e. from revenues from customers). This would be in addition to the \$200,000 (for legal expenses) the Corporation Commission allowed Pima to recover from their customers. This recovery resulted in an additional \$.33 for water and another \$.33 for waste water on your bill each month.

Just when we thought we were finished with the Pima rate request, the issue of pass-through on taxes has again surfaced. The agenda for the Corporation Commission meeting this week (January 30 and 31) has this item on it. Unless we make our voices heard, Sun Lakes may be saddled with utility increases to pay the taxes on the owner's dividends.

We urge you to e-mail and voice your opposition to this "freebie" pass-through on taxes that would only benefit the owners of Pima.

[Pierce-web@azcc.gov](mailto:Pierce-web@azcc.gov)

[Burns-web@azcc.gov](mailto:Burns-web@azcc.gov)

[Stump-web@azcc.gov](mailto:Stump-web@azcc.gov)

[BitterSmith-web@azcc.gov](mailto:BitterSmith-web@azcc.gov)

[RBurns-web@azcc.gov](mailto:RBurns-web@azcc.gov)

You can also call the Corporation Commission Chairman, Bob Stump at 602-542-3935

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Sun Lakes HOA #2 | 25630 Brentwood Drive | Sun Lakes | AZ | 85248

**Trisha A. Morgan**

---

**From:** [REDACTED]  
**Sent:** Monday, January 28, 2013 3:59 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** NP "paas-through" Freebie for PIMA

There is **no reason** for the residents of Sun Lakes to pay the taxes on the dividends reaped by the owners of PIMA UTILITY.

**VOTE NO to the pass-through**

Thank you

Ben Pace

[REDACTED]  
Sun lakes AZ 85248

**Trisha A. Morgan**

---

**From:** Milton Smith [REDACTED]  
**Sent:** Monday, January 28, 2013 4:33 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Rate Increase  
**Attachments:** letter to Pima commissioners.doc

For your consideration.

Thank You,

Milton Smith,  
Home Owner in Cottonwood Palo Verde

I've been a resident of Sun Lakes, AZ for nine years and thus a customer of the Pima Utility Company. I was surprised the pass-through on taxes issue has again surfaced in such a short period of time.

My entire professional career was in the private consulting engineering industry. We were consultants to water utilities, large and small through out the country.

Having observed the performance of Pima Utilities, it is very obvious they are poorly managed and have been for some time. Pima's services don't meet the standard of care in the water industry.

I was the lead person for the \$5 million renovation of our facilities at Cottonwood Palo Verde. Pima was difficult to deal with and less than responsive.

The home owners should receive higher water rates because of the ineptness of Pima Utilities. I ask the Commission to deny their request.

Thank You

**Trisha A. Morgan**

---

**From:** Ron Chase [REDACTED]  
**Sent:** Monday, January 28, 2013 4:48 PM  
**To:** Stump-Web  
**Cc:** Pierce-Web; Burns-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Pima Utility Rates

Corporation Commission:

I am a Sun Lakes resident and I am writing to you about the Pima Utility Company.

Recently we received a rate increase from Pima of (43%) experienced by our HOA for irrigation water, and Sun Lakes homeowners residents. We are also now paying \$200,000 (for legal expenses) the Corporation Commission allowed Pima to recover from their customers. This recovery resulted in an additional \$.33 for water and another \$.33 for waste water on our bill each month.

We do not want the homeowners to pay for the **pass-through of dividends to the owners with taxes paid by the company (i.e. from revenues from customers)** We do not need to be saddled with utility increases to pay the taxes on the owner's dividends.

**Please take this into consideration at your meetings coming up. Thank you.**

Ron Chase  
Sun Lakes Homeowner



**Trisha A. Morgan**

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**From:** CAROL ORMSBY [REDACTED]  
**Sent:** Monday, January 28, 2013 4:48 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** PIMA WATER HIKES - another WAMMY again?

I want to voice my opposition to this "freebie" pass-through on taxes that would only benefit the owners of Pima and NOT the homeowners.

Please do something for the Sun Lakes homeowners. This is going to turn into a poor man's country club and no one to pay the bills. Pricing us out of the market every which way. We do not need to pay more. PIMS already got their price increase. Why are they allowed more?

Please vote NO

Thanks,

--

*"When God closes one door, He opens another."*

Have a blessed day.

Carol Ormsby

*SkyQueenDance*

**Trisha A. Morgan**

---

**From:** [REDACTED]  
**Sent:** Monday, January 28, 2013 4:55 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web  
**Subject:** Upcoming vote on Pima Utility pass-through

We are adamantly opposed to the proposed pass-through on taxes to allow the utility company to recover from their customers their taxes paid by the owners. You already allowed them to pass on rate increases and enough is enough. No more allowed greed, please.

Frank, Phyllis Sipes  
Sun Lakes, AZ

**Trisha A. Morgan**

---

**From:** Jane Seibert [REDACTED]  
**Sent:** Monday, January 28, 2013 5:37 PM  
**To:** Pierce-Web  
**Cc:** Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Pima Utility

Please oppose the "pass through" relative to Pima Utility.

Thanks you for your consideration.

Jane Seibert

**Trisha A. Morgan**

---

**From:** Deanna [REDACTED]  
**Sent:** Monday, January 28, 2013 7:51 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Pima Water's tax pass-through Request

Say NO! to Pima Water's tax pass-through request.

It is unconscionable that an investor profits from their investment and then expects his customers to pay his taxes on those profits, too!

With this request we would choose a different water supplier, but we have no choice. We elected you with the expectation that you would deal fairly with both the customers and the regulated utility. There is nothing fair about Pima's tax pass-through request.

Please say no to Pima Water's pass-through request.

Stuart & Deanna Frost  
Sun Lakes

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Version: 2013.0.2890 / Virus Database: 2639/6064 - Release Date: 01/28/13

**Trisha A. Morgan**

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**Sent:** Monday, January 28, 2013 4:55 PM  
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**Subject:** Upcoming vote on Pima Utility pass-through

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Frank, Phyllis Sipes  
Sun Lakes, AZ

**Trisha A. Morgan**

---

**From:** marcypietrek [REDACTED]  
**Sent:** Monday, January 28, 2013 10:46 PM  
**To:** Stump-Web  
**Subject:** utility increases

Enough is enough. Sun Lake Retirees do not need any more taxes added to their bill. They should not be forced to pay the taxes on the owner's dividends.

Martha Pietrek  
[REDACTED]

Trisha A. Morgan

---

**From:** Frank Gaudioso [REDACTED]  
**Sent:** Tuesday, January 29, 2013 7:30 AM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** My vote for YOU..... and the CWPV ALERT -IMPORTANT PIMA UPDATE

Arizona Corporate Commission:

Regarding the notification that Pima Water (see email below) intends to "pass through taxes" to Sun lakes home owners on dividends they will receive and enjoy, please think about the following:

I, and probably most Sun Lakes homeowners, voted FOR you people. People DO NOT vote for individuals or groups that make decisions that are not in their personal and/or communities best interests. You can be assured that Sun Lakes voters WILL NOT FORGET your decision regarding this matter.

Thank You in Advance,  
Frank Gaudioso  
Sun Lakes, AZ 85248  
[REDACTED]

**IMPORTANT PIMA UPDATE**  
Corporation Commission meeting this  
week January 30 and 31

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We urge you to e-mail and voice your opposition to this "freebie" pass-through on taxes that would only benefit the owners of Pima.

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[BitterSmith-web@azcc.gov](mailto:BitterSmith-web@azcc.gov)

[RBurns-web@azcc.gov](mailto:RBurns-web@azcc.gov)

You can also call the Corporation Commission Chairman, Bob Stump at 602-542-3935

**Sun Lakes HOA #2**

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**Trisha A. Morgan**

---

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**Sent:** Monday, January 28, 2013 11:02 AM  
**To:** Pierce-Web; Burns-Web; BitterSmith-Web; RBurns-Web; Stump-Web  
**Subject:** Item #39 - January 30-31 2013 Open Meeting

Dear Commissioner,

I am a resident of Sun Lakes, AZ and a customer of the Pima Utility Company. I addressed the Commission regarding Pima's rate increase application at the gathering at Sun Lakes Country Club last year. One of my pleas was that the commission only approve increases based on actual increased cost of doing business - increased costs of chemical, supplies, labor. The request for a rate increase so that stock holders could avoid paying taxes on their dividends should NOT be a basis for a rate increase. This portion of their application was not addressed in the decision to increase the rates for water and wastewater. Now I understand it is on the Commissions agenda for the meeting on January 30-31, 2013.

I ask that the Commission remember that their fiduciary responsibility is to the customers of the utility, not the owners of the utility. I once again request that you do not permit this pass-through. Enacting this pass-through would in essence ask me and my fellow retirees in Sun Lakes to pay the taxes on behalf of the owners of Pima so they can collect their dividends tax-free.

Sincerely,

Roberta Reed  
[REDACTED]

Sun Lakes, AZ 85248

**Trisha A. Morgan**

---

**From:** Elaine Kraemer [REDACTED]  
**Sent:** Monday, January 28, 2013 1:03 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Iem #39 January 30-31, 2013 open meeting

Dear Commissioner,

I am a Sun Lakes resident and a customer of Pima Utility Company. I oppose the request to pass-through dividends without tax expense. Please remember that your fiduciary responsibility is to the customers of the utility, not to the owners of the utility. I ask that you do not permit this pass-through. Enacting this pass-through would permit the utility company to request additional relief to pay the taxes resulting in additional expense to me, the utility customer.

Sincerely,  
Elaine Kraemer  
[REDACTED]

Sun Lakes, AZ 85248

**Trisha A. Morgan**

---

**From:** Gloria Combs [REDACTED]  
**Sent:** Tuesday, January 29, 2013 7:50 AM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Pima Utility January 30-31

Dear Commissioner,

I am a resident of Sun Lakes, AZ and a customer of the Pima Utility Company. I thank you for your past action to reduce the water and wastewater rate increases the Pima Utility Company had originally proposed for its customers. It would have dramatically affected the direct and indirect costs to us Seniors living on fixed incomes.

In addition to the rate increases, one of our speaking points at the gathering at the Sun Lakes Country Club was our opposition to the request by Pima to pass-through dividends without tax expense.

This portion of their application was not addressed in the decision to increase the rates for water and wastewater. Now I understand it is on the Commissions agenda for the meeting on January 30-31, 2013

In e-mails before the decision on Pima's rate application, we asked that the Commission remember that their fiduciary responsibility is to the customers of the utility, not the owners of the utility.

I make this statement again and ask that you do not permit this pass-through. Enacting this pass-through would permit the utility company to request additional relief to pay the taxes resulting in additional expense to the utility customers.

Sincerely,

Gloria Combs

**Trisha A. Morgan**

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**From:** Debbie Kindsvater [REDACTED] >  
**Sent:** Tuesday, January 29, 2013 9:58 AM  
**To:** RBurns-Web; BitterSmith-Web; Stump-Web; Burns-Web; Pierce-Web  
**Subject:** Pima Utility request January 30 & 31, 2013

As a Sun Lakes homeowner and citizen of Arizona I am appealing to you to vote "no" on the request of a pass-through on taxes that would benefit the owners of Pima. Why should any private utility company be able to raise our rates to pay the taxes on the owners dividends? This makes no sense and I appeal to you to do the right thing and disallow this with a "no" vote!

Thank you!

Debbie Kindsvater  
[REDACTED]  
Sun Lakes, AZ 85248

**Trisha A. Morgan**

---

**From:** Bob Wagers <[REDACTED]>  
**Sent:** Tuesday, January 29, 2013 10:41 AM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web

Sirs:  
It is my understanding that you are considering rate increase requests from Pima Utility Corporation. Further, I am told that the request includes an item that effectively collects revenues from customers with the explicit intention of using these revenues to pay the taxes on dividends paid to the owners of Pima.

This is an outrage. Normal and appropriate costs should be considered and approved by the Corporation Commission, using industry and regional norms. Resulting profits should be adjusted for industry and regional norms. Revenues should be set accordingly. Pima can then pay dividends out of retained earnings like every other business. Owners can pay their own taxes. A direct excise tax to fund the owners' dividend taxes is indefensible.

Robert Wagers  
[REDACTED]  
Sun Lakes, AZ 85248

**Trisha A. Morgan**

---

**From:** [REDACTED]  
**Sent:** Tuesday, January 29, 2013 10:44 AM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Re: Pima Rate Increase

Dear Commissioner,

I am a resident of Sun Lakes, AZ and a customer of the Pima Utility Company. I thank you for your past action to reduce the water and wastewater rate increases the Pima Utility Company had originally proposed for its customers. It would have dramatically affected the direct and indirect costs to us Seniors living on fixed incomes.

In addition to the rate increases, one of our speaking points at the gathering at the Sun Lakes Country Club was our opposition to the request by Pima to pass-through dividends without tax expense.

This portion of their application was not addressed in the decision to increase the rates for water and wastewater. Now I understand it is on the Commissions agenda for the meeting on January 30-31, 2013

In e-mails before the decision on Pima's rate application we asked that the Commission remember that their fiduciary responsibility is to the customers of the utility, not the owners of the utility.

I make this statement again and ask that you do not permit this pass-through. Enacting this pass-through would permit the utility company to request additional relief to pay the taxes resulting in additional expense to the utility customers.

Sincerely,

Wayne Mangold  
[REDACTED]

Sun Lakes, AZ 85248

**Trisha A. Morgan**

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**From:** sharyn baldacci [REDACTED]  
**Sent:** Tuesday, January 29, 2013 11:27 AM  
**To:** Stump-Web  
**Subject:** We are opposed to the Pima Water Tax though

We believe that The Pima owners should pay their own taxes.  
After all Obama won the election because he believes the  
wealthy should pay their own Taxes.

Sharyn and Bob Baldacci

[REDACTED]  
Sun Lakes, Az 85248

**Trisha A. Morgan**

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**From:** Inga Betz [REDACTED]  
**Sent:** Tuesday, January 29, 2013 11:48 AM  
**To:** Stump-Web  
**Subject:** Pima tax bill

Please vote against the pass-through on taxes for Pima Water Co. for Sun Lakes. We can not afford this tax which belongs to the owners. Inga Owen Betz



**Trisha A. Morgan**

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**From:** AL Cote [REDACTED]  
**Sent:** Tuesday, January 29, 2013 1:16 PM  
**To:** Stump-Web  
**Subject:** Re: Pima Rate Increase

sorry for the misspell.

----- Original Message -----

**From:** AL Cote  
**To:** [pierce-web@azcc.gov](mailto:pierce-web@azcc.gov) ; [burns-web@azcc.gov](mailto:burns-web@azcc.gov) ; [stump-web@azcc.gov](mailto:stump-web@azcc.gov) ; [BitterSmith-web@azcc.gov](mailto:BitterSmith-web@azcc.gov) ; [RBurns-web@azcc.gov](mailto:RBurns-web@azcc.gov)  
**Sent:** Monday, January 28, 2013 2:06 PM  
**Subject:** Pima Rate Increase

Dear Commissioner,

I am a resident of Sun Lakes, AZ and a customer of the Pima Utility Company. I thank you for your past action to reduce the water and wastewater rate increases the Pima Utility Company had originally proposed for its customers. It would have dramatically affected the direct and indirect costs to us Seniors living on fixed incomes.

In addition to the rate increases, one of our speaking points at the gathering at the Sun Lakes Country Club was our opposition to the request by Pima to pass-through dividends without tax expense.

This portion of their application was not addressed in the decision to increase the rates for water and wastewater. Now I understand it is on the Commissions agenda for the meeting on January 30-31, 2013

In e-mails before the decision on Pima's rate application we asked that the Commission remember that their fiduciary responsibility is to the customers of the utility, not the owners of the utility.

I make this statement again and ask that you do not permit this pass-through. Enacting this pass-through would permit the utility company to request additional relief to pay the taxes resulting in additional expense to the utility customers.

Sincerely,

Albert J Cote  
[REDACTED]

Sun Lakes, AZ  
[REDACTED]

**Trisha A. Morgan**

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**From:** Betz Wyllie [REDACTED]  
**Sent:** Tuesday, January 29, 2013 2:04 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Pima rate increase

Commissioner:

I am a resident in Sun Lakes, Arizona and I am a customer of Pima Utility Company.  
Recently you approved a lesser rate increase, which I and the many other senior citizens were thankful.  
On January 30-31 your agenda will I hope not approve of our having to pay taxes on dividends.  
Betty Wyllie

**Trisha A. Morgan**

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**From:** George Lorenzen [REDACTED]  
**Sent:** Tuesday, January 29, 2013 2:49 PM  
**To:** Stump-Web; Pierce-Web; Burns-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Pima Utility's request

I am opposed Pima Utility's request to pass through dividends without tax expense.

George Lorenzen  
[REDACTED]

Sun Lakes AZ 85248

**Trisha A. Morgan**

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**From:** ann baumrind [REDACTED]  
**Sent:** Tuesday, January 29, 2013 4:15 PM  
**To:** Stump-Web  
**Cc:** Pierce-Web; Burns-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Pima's request to pass through dividends without tax expense

As a retired, long-time disabled homeowner living in Sun Lakes on a fixed income, I am strongly opposed to your request for this noxious rate increase which serves the purpose of enriching Ed Robson. We just got hit with an increase, after hearings were held. Now, this is being proposed without the benefit of hearings and we'd like to know why?

I do hope you people will reconsider and drop this proposal. I see no sense to pay for someone else's dividends. When I got stock dividends years ago, I paid the taxes.

Ann Baumrind

**Trisha A. Morgan**

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**From:** Myron [REDACTED]  
**Sent:** Tuesday, January 29, 2013 4:28 PM  
**To:** Stump-Web; Pierce-Web; Burns-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Pima Utility's request to pass through dividends without tax expense.

Commissioners:

It is my understanding that at your Weds or Thurs meeting you will be discussing and/or voting on the following:

Pima wants ratepayers to pay the taxes on dividends for the utility owners (i.e., Robson). This, according the IronOaks HOA, would be in addition to the \$200,000 (for legal expenses) the Corporation Commission allowed Pima to recover from its customers.

I think it is not only outrageous but highly unethical what Pima, aka, Robson, is trying to do. We should pay for their dividends? The idea customers should be forced to bear additional expense so that the utility owners (Ed Robson, et al) get dividends without tax expense is disgusting.

I hope you vote this scam down and you give Pima/Robson stern warning not to try such shenanigans again.

Thank you.

Myron Urban

[REDACTED]  
Sun Lakes, AZ 85248

**Trisha A. Morgan**

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**From:** Pauline Lee [REDACTED]  
**Sent:** Tuesday, January 29, 2013 4:29 PM  
**To:** Stump-Web  
**Subject:** Rate payers pay taxes for dividend that owners of Pima Utility receive?

Dear Mr. Stump and Commissioners of Arizona Corporation Commission:

Being a resident of Sun Lakes, I am very grateful to you for not allowing Pima Utility get their proposed outrageous increases in water and sewage rates last year. Mr. Robson, the developer of Sun Lakes, has already prospered from selling houses to us. He also had the foresight to own Pima, so that he continuously make us dependent on him and make profit from us. We are bearing the cost of \$200,000 for his legal expenses. Moreover, we are supposed to pay every month 33 centers for water and 33 cents for wastewater, so that Mr. Robson and his co-owners will get dividend without paying tax! Why should the rate payers pay tax on dividend that already comes out of our pockets? This set up is unreasonable. I hope you will not allow such unfair taxation become reality.

Sincerely,

Pauline Lee

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**Trisha A. Morgan**

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**From:** Gene Finney [REDACTED]  
**Sent:** Tuesday, January 29, 2013 5:02 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Re: Pima rate increase

Dear Commisioner:

I am a resident of Sun Lakes Az and a customer of Pima UtilityCo. I wish to let you know that I am against the proposed additional rate increase requested by Pima Utility Co. I fail to see why customers should pay for there taxes as the amounts to freebie for the owners of the utility.

I believe it is the commissions responsibility to look out for the customer. This was settled at the first requested rate increase!

Sincerely

Gene Finney

[REDACTED]  
Sun Lakes AZ 85248

**Trisha A. Morgan**

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**From:** [REDACTED]  
**Sent:** Tuesday, January 29, 2013 5:37 PM  
**To:** Stump-Web; Pierce-Web; Burns-Web; BitterSmith-Web; RBurns-Web  
**Subject:** Taxes on Dividends

I was made aware, today, of a request by the owners of Pima Utility, namely E.J. Robson, to have the customers of said utility pay the taxes on dividends rec'd by the owners.

Please be advised that as a resident of Sun Lakes, I am violently against such a request.

We have already been saddled with paying the legal expenses of the utility, the result of a decision by your commission, something I was also violently against.

Your responsibility as commissioners is to provide EQUITABLE direction in matters of this nature and it doesn't appear, in my mind, that you are accomplishing that task.

I would respectfully submit that this request be categorically denied. These are dividends that will be enjoyed by the owners of said utility. Let them pay their own taxes.

The dividends I receive from my investments, require that I pay taxes to the federal gov't. I pay them. I don't ask someone else to pay them.

The same should hold true for Mr. Robson and Co.

William M. Wasserman  
Sun Lakes  
[REDACTED]



**Trisha A. Morgan**

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**From:** [REDACTED]  
**Sent:** Tuesday, January 29, 2013 7:20 PM  
**To:** Stump-Web; Pierce-Web; Burns-Web; BitterSmith-Web; RBurns-Web  
**Subject:** No taxation on dividends

I am a senior and I live in Sun Lakes. I am on Social Security and count my pennies. It has come to my attention that now Ed Robson wants ratepayers (me) to pay the taxes on the dividends he earns as owner of the utility, Pima Water. 66 cents a month may not seem like much but Sun Lakes has over 10,000 residents, and if each paid 66 cents a month, the total to Ed Robson would be more than \$79,000. This is in addition to the \$200,000 that he has already been granted for legal fees. He doesn't need the money. He has enough money. And, more importantly, he wants to get this \$79,000 off the backs of retired residents. Please don't allow that to happen. Vote against this proposal. J. Ilene O'Meara

**Trisha A. Morgan**

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**From:** [REDACTED]  
**Sent:** Tuesday, January 29, 2013 9:59 PM  
**To:** Stump-Web  
**Subject:** PIMA UTILITY "PASS-THROUGH" TAX

Corporation Commission:

It is ridiculous to ask customers of Pima Utilities to pay the company owner's taxes on the **PROFITS** they make selling water and sewer services to Sun Lakes residents.

You have already passed on a **43% INCREASE** in irrigation rates for our HOA as well as requiring residents to pay the legal fees of the money grubbing Pima Utility owners.

Where does it stop? We pay our own taxes, let the owners of Pima Utility pay their own taxes.

**Vote NO on this issue.**

**Karl O. Nease**

**Sun Lakes, AZ**

**Trisha A. Morgan**

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**From:** [REDACTED]  
**Sent:** Tuesday, January 29, 2013 10:03 PM  
**To:** Stump-Web  
**Subject:** Pima Utility "pass-through" tax

BOB STUMP

Corporation Commission:

It is ridiculous to ask customers of Pima Utilities to pay the company owner's taxes on the **PROFITS** they make selling water and sewer services to Sun Lakes residents.

You have already passed on a **43% INCREASE** in irrigation rates for our HOA as well as requiring residents to pay the legal fees of the money grubbing Pima Utility owners.

Where does it stop? We pay our own taxes, let the owners of Pima Utility pay their own taxes.

**Vote NO on this issue.**

**Toni Nease**

**Sun Lakes, AZ**

**Trisha A. Morgan**

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**From:** Sarah Haynes [REDACTED]  
**Sent:** Tuesday, January 29, 2013 11:33 PM  
**To:** Stump-Web; Pierce-Web; BitterSmith-Web; RBurns-Web; Burns-Web  
**Subject:** Pima Water Utility rates

Commissioners:

I understand Pima Water is requesting that the cost of taxes on owners' dividends be passed through to customers. Since owners benefit from the dividends it seems appropriate that they assume the associated tax obligation rather than putting that burden on customers Thank you for your attention to this matter.

Sincerely,

Ms. Sarah L. Haynes

[REDACTED]  
Sun Lakes, AZ 85248

**Trisha A. Morgan**

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**From:** Lois Jones [REDACTED]  
**Sent:** Wednesday, January 30, 2013 9:51 AM  
**To:** Stump-Web  
**Subject:** Pima water

As a Sun Lakes homeowner, I am incensed to think I am now being asked to pay Pima Water's taxes! Please see that this does NOT happen!

Lois Jones  
[REDACTED]

**Trisha A. Morgan**

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**From:** Shirley Marshall [REDACTED]  
**Sent:** Wednesday, January 30, 2013 7:46 PM  
**To:** Pierce-Web; Burns-Web; Stump-Web; BitterSmith-web@azcc.com; "RBurns-web."@azcc.com  
**Subject:** Pass-through of dividends to owners

Dear Sirs:

Please be advised that all of us pay taxes on our dividends and Pima owners should certainly pay theirs, not put the load on customers. Our government has become too corrupt and self serving, please do not add to it with this manuver. I am a homeowner who feels taxed to the max.

Sincerely

Shirley I. Marshall  
[REDACTED]

Sun Lakes, AZ 85248